## FEDERAL COMMUNICATIONS COMMISSION Washington, D. C. 20554

OFFICE OF MANAGING DIRECTOR

RECEIVED

OCT - 8 1998

Robert Lewis Thompson, Esquire Taylor Theimann & Aitken, L.C. 908 King Street Suite 300 Alexandria, VA 22314 FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

Re: Petition for Further Deferral of Regulatory Fee Radio Station WBEE(AM)

Dear Mr. Thompson:

This letter is in response to your request for a waiver of the Fiscal Year (FY) 1997 regulatory fee for Mariner Broadcasting, Inc. (Mariner), licensee of Radio Station WBEE (AM), Harvey, Illinois.

In response to our letter of February 24, 1998, you submitted WBEE's income statement and balance sheet for the period ending September 30, 1997. Those statements indicate that the licensee had a net loss of \$15,709 in 1997 and \$10,212 in 1996.

Our February 24, 1997 letter specifically set forth the type of documentation which would be required to establish financial hardship, and the factors which would be considered in making a determination concerning whether or not the fee would be waived.

Thus you were advised that Mariner could establish financial hardship by submitting:

[I] nformation such as a balance sheet and profit and loss statement (audited, if available), a cash flow projection . . . (with an explanation of how calculated), a list of their officers and their individual compensation, together with a list of their highest paid employees, other than officers, and the amount of their compensation, or similar information.

#### We also stated that:

In determining whether a licensee has sufficient revenues to pay its regulatory fees, the Commission relies upon an applicant's cash flow, as opposed to the entity's profits. Thus, although deductions for

amortization and depreciation, which do not affect cash flow, and payments to principals, reduce gross income for tax purposes, those deductions also represent money which is considered to be available to pay the regulatory fee.

Our review of Mariner's documents indicates that they are conclusionary and fail to establish a compelling case of financial hardship. There is no statement concerning possible payments to principals, or itemization of deductions for depreciation or amortization, which represent money considered to be available to pay the regulatory fee. Further, there is no enumeration of Mariner's expenses which would enable the Commission to evaluate Mariner's financial condition.

Thus, the request for waiver and deferral of the regulatory fee is denied. You should file a completed FCC Form 159 (copy enclosed) together with a fee payment of \$2,000 for WBEE within 15 days from the date of this letter.

If you have any questions concerning the fees, please call the Chief, Fee Section, at (202) 418-1995.

Sincerely,

Thomas M. Holleran

Acting Associate Managing

Director - Financial Operations

Jeury

000000 BCB -98-033

LAW OFFICES OF

#### TAYLOR THIEMANN & AITKEN, L.C.

908 KING STREET, SUITE 300 ALEXANDRIA, VIRGINIA 22314

TELEPHONE (703) 836-9400 FACSIMILE (703) 836-9409

March 16, 1998

Mr. Andrew S. Fishel, Managing Director Federal Communications Commission Washington, DC 20554

Re:

Request for Further Deferral of 1997 Regulatory Fee

WBEE (AM), Harvey, IL

Attn: Thomas M. Holleran, Acting Assoc. Dir. for Operations

Room 852

Dear Mr. Holleran:

This letter, filed in triplicate, responds to your February 24, 1997 letter. Mariner Broadcasting, Inc., licensee of WBEE (AM), respectfully seeks reconsideration and waiver of the 1997 regulatory fee for Station WBEE (AM).

Pending the FCC's proposed change in measuring the population served by a small radio station like WBEE (from the 0.5 mV/m contour to the city grade contour), WBEE respectfully submits that the imposition of a \$2,000 fee on this struggling station manifestly would not serve the public interest in diverse programming.

The attached documentation establishes Station WBEE's financial hardship and further supports its request for waiver of the 1997 regulatory fee. As of September 30, 1997, WBEE's Balance Sheet and its Income Statement confirm that the Station had a negative cash flow, a net operating loss and negative retained earnings. See attached. Indeed, the WBEE Income Statement confirms that the station posted a \$15,709 net loss in 1997 and a \$10,212 net loss the prior year. Id.

Please contact me directly if you have additional questions. Despite its financial struggle, the licensee of WBEE provides a unique programming service to its community, is a true radio pioneer and its president [who appears this very date on a panel with Hon. William Kennard in Chicago] is one of the nation's leading minority broadcasters.

Sincereil

Robert Lewis Thompson

**Attachments** 

cc: WBEE (Local Public File)

## FEDERAL COMMUNICATIONS COMMISSION Washington, D. C. 20554

February 24, 1998

OFFICE OF MANAGING DIRECTOR

Robert Lewis Thompson, Esquire Taylor Thiemann & Aitken 908 King Street Suite 300 Alexandria, VA 22314

> Re: Petition for Deferment and Waiver of Regulatory Fee Radio Station WBEE (AM)

Dear Mr. Thompson:

This letter is in response to your request for a waiver of the Fiscal Year (FY) 1997 regulatory fee for Mariner Broadcasting, Inc. (Mariner), licensee of Radio Station WBEE (AM), Harvey, Illinois. You allege that Mariner is a minority owned licensee, serving a small community of only 25,000 people. You contend that Mariner does not serve Chicago and that the signal of WBEE does not cover the 6,000,000 people attributed to it by the Commission. You also assert that station WBEE is operating at deficit, that it had reduced its staff, and that payment of the \$2,000 fee will create an economic hardship for the licensee.

Congress established the total amount of fees that we are to collect for all services for FY 1997 and our fee schedule is formulated to spread the burden of the total fee requirement equitably among the various categories of fee payers, including broadcast licensees. The FY 1997 regulatory fees for all AM stations were derived by calculating the populations within the 0.5 mV/m contour of each individual station, which is their daytime protection contour. Consequently, as a matter of equity, recalculation of a station's service area using a different contour for measuring population would require the recalculation of service areas, populations, and fees, at a minimum, for all radio broadcast stations, in order to insure the Commission's ability to collect the required amount in fees. We recognize that some broadcasters believe that the city grade contour which each licensee is required to place over its community of license may be a better reflection of the "core" population served by that station, and we contemplate using the city grade contour to calculate FY 1998 radio regulatory fees. However, the 0.5 mV/m contour is appropriate in formulating the methodology for calculating the FY 1997 regulatory fees because that contour does represent the area in which listeners are served by the station's interference free signal. Thus, the Commission cannot reduce, on an ad hoc basis, an individual station's regulatory fee solely because its population served would be lower had we relied on a different service contour.

Mr. Thompson

It is noted, however, that you allege that WBEE is operating at a loss and that payment of the \$2,000 fee would create a financial hardship for Mariner. The Commission has recognized that in certain instances payment of a regulatory fee may impose an undue financial hardship upon a licensee. Thus, the Commission decided to grant waivers or reductions of its regulatory fees in those instances where a "petitioner presents a compelling case of financial hardship." Implementation of Section 9 of the Communications Act, 9 FCC Rcd 5333, 5346. In this connection, the Commission requires licensees seeking a waiver on grounds of financial hardship to submit supporting materials presenting sufficient evidence of financial hardship. Id.

The Commission has further stated that regulatees could establish financial need by submitting:

[I]nformation such as a balance sheet and profit and loss statement (audited, if available), a cash flow projection . . . (with an explanation of how calculated), a list of their officers and their individual compensation, together with a list of their highest paid employees, other than officers, and the amount of their compensation, or similar information.

Implementation of Section 9 of the Communications Act, FCC 95-257 at ¶ 13, released July 22, 1995.

In determining whether a licensee has sufficient revenues to pay its regulatory fees, the Commission relies upon an applicant's cash flow, as opposed to the entity's profits. Thus, although deductions for amortization and depreciation, which do not affect cash flow, and payments to principals, reduce gross income for tax purposes, those deductions also represent money which is considered to be available to pay the regulatory fee.

Our review of your submission discloses that you have not submitted financial documentation in support of your claim that WBEE is undergoing financial hardship. Therefore, your request is dismissed and the FY 1997 regulatory fee of \$2,000 for WBEE is now due. You should file a completed FCC Form 159 (copy enclosed) together with a fee payment of \$2,000 for WBEE within 30 days from the date of this letter. However, in view of your allegations of financial hardship, the fee payment may be accompanied by a supplemental request for waiver and refund supported by documentation establishing that Mariner is entitled to a waiver because of financial hardship. In the alternative, you may file a request for further deferral of the regulatory fee, together with relevant documentation establishing a basis for a waiver.

## FEDERAL COMMUNICATIONS COMMISSION Washington, D. C. 20554

August 6, 1998

OFFICE OF MANAGING DIRECTOR

RECEIVED

Mr. Warren Jones Music Express Broadcasting Corporation of Northeast Ohio PO Box 800 Chardon, Ohio 44024-0800

OCT - 8 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Request for Waiver of Regulatory Fee AM Radio Station WATJ

Fee control # 9709158835324007

Fee Paid: \$1,400

Dear Mr. Jones:

This is in response to your request for a waiver of the Fiscal Year (FY) 1997 regulatory fees for AM Radio Station WATJ, Chardon, Ohio, licensed to Music Express Broadcasting Corporation (Music Express). You argue that Radio Station WATJ has been operating at a loss and that you are not paid a salary. In support of your request, you have submitted a copy of Music Express' 1997 Income Tax Return.

In establishing its regulatory fee program, the Commission recognized that in certain instances payment of a regulatory fee may impose an undue financial hardship upon a licensee. Thus, the Commission decided to grant waivers or reductions of its regulatory fees in those instances where a "petitioner presents a compelling case of financial hardship." <u>Implementation of Section 9 of the Communications Act</u>, 9 FCC Rcd 5333, 5346 (1994), reconsideration granted, 10 FCC Rcd 12759 (1995).

In determining whether a licensee has sufficient revenues to pay its regulatory fees, the Commission relies upon a licensee's cash flow, as opposed to the entity's profits. Thus, although deductions for amortization and depreciation, which do not affect cash flow, and payments to principals, reduce gross income for tax purposes, those deductions also represent money which is considered to be available to pay the regulatory fee.

The Income Tax Return confirms that there has been no compensation paid to Music Express' officer and that the licensee has suffered financial losses which are not off-set by depreciation or amortization. Under these circumstances Music Express has made a compelling showing of financial hardship which warrants a waiver of the regulatory fee paid for AM Radio Station WATJ.

The waiver, however, is limited to Music Express' FY 1997 regulatory fee. If Music Express continues to experience financial hardship, you may file requests for waivers of its regulatory fees for FY 1998 and succeeding years, supported by documentation of its current financial condition.

A check, made payable to the maker of the original check, and drawn in the amount of \$1,400 will be sent to you at the earliest practicable time. If you have any questions concerning the refund, please call the Chief, Fee Section, at (202) 418-1995.

Sincerely,

Mark Reger

Chief Financial Officer

RECEIVED / LLKT

1 40 PM '98

9707158835324001

9707158835324001

MUSIC EXPRESS MARCA 3 (AMD-FO) ATION,
BROADCASTING CORPORATION,
1980

TO NORTHEAST OHIO

P.O. Box 800 RECEIVED Chardon, OH 44024-0800

FCC FEES SECTION

APR 10

Phone: (440) 285-2269

Fax: (440) 286-9247

Mr. Thomas M. Holleran Acting Associate Managing **Director of Operations** Federal Communications Commission 1919 M Street, N.W. Washington, D. C. 20554

March 27, 1998

Re: Your letter of March 12, 1998 Request for Waiver or Reduction of Regulatory Fees for AM Radio Station WATJ

Dear Mr. Holleran,

I spoke yesterday with your associate Mr. Tom Putnam. He confirmed the content in your letter of March 12, namely that the information first sent to you was not current, and secondly was not complete enough to allow an analysis of cash flow as to provide a compelling reason to waive the fees for station WATJ.

Enclosed herewith please find a copy of our Form 1120S prepared by our CPA for calendar year 1997. Our gross income for the year was \$9,145, depreciation \$5,516. Operating expenses and taxes were \$20,663. I do not take a salary. I respectfully request a waiver of the \$1400 fee for WATJ as such fee contributes to our financial hardship.

Sincerely yours,

WJ:bai Enclosure Tayment Transactions Detail Report

BY: FEE CONTROL NUMBER

Fee Control Payor Account Number Received Date

9709158835324007 MUSIC EXPRESS BROADCASTING COR FCC2042131 09/15/97

PO BOX 800

CHARDON

OH 44024

Payment Type Callsign Other Id Trans Payment Code Type Seq Applicant Name Applicant Zip Detail Amount Payment Amount Current Balance Bad Check Code Num Quantity \$1,400.00 \$1,400.00 WATJ 440240800 PMT MGD7 1 MUSIC EXPRESS BROADCASTING COR \$1,400.00 1 1 \$1,400.00 Total

Payment Transactions Detail Report

BY: FEE CONTROL NUMBER

Date: 8/5/98

Fee Control Payor Account Number Name Account Number Date

9709158835324007 MUSIC EXPRESS BROADCASTING COR FCC2042131 09/15/97

PO BOX 800

CHARDON

OH

44024

Payment	Balance Num		q _		Callsign Other Id	Applicant Name	Applicant Zip	Bad Check		Frans Code	Payment  Type
\$1,400.00	\$1,400.00	1	MGD7	1	WATJ	MUSIC EXPRESS BROADCASTING COR	440240800		\$1,400.00	1	PMT
Total 1									\$1,400.00		

Page 1 of 1

### FEDERAL COMMUNICATIONS COMMISSION Washington, D. C. 20554

JUL 16 1998

OFFICE OF MANAGING DIRECTOR

Ms. Vanessa Davis Business Manager New Birth Broadcasting Corporation 814 First Street Miami Beach, FL 33139 RECEIVED

OCT - 8 1998

FEDERAL COMMISSION

OFFICE OF THE SECRETARY

Re: Request for Waiver of Regulatory Fee

Dear Ms. Davis:

This is in response to your request for a waiver of the Fiscal Year (FY) 1997 regulatory fee for Radio Station WMBM, Miami, Florida.

The waiver request is untimely. On August 1, 1997, the Commission issued a Public Notice, FY 1997 Mass Media Regulatory Fees, to all licensees, advising them of their Fiscal Year 1997 regulatory fee obligations. Licensees were notified that fee payments were to be received by the Commission by September 19, 1997; they were advised of their rights to request waiver, reductions and deferments of the regulatory fees; and that requests for deferment of the fees were also to be filed by September 19, 1997. The public notice notified licensees that the Commission would "invoke any lawful authority it may possess under the Debt Collection Act to collect any fees due or outstanding against any licensee failing to meet its regulatory fee payment obligations". The Commission in establishing the regulatory fee program said that it would "accept petitions for waiver, reduction and deferments [of the regulatory fees] so long as they are filed no later than the date payment is due". Implementation of Section 9 of the Communications Act, 9 FCC Rcd 5333, 5345 ¶ 34 (1994). On March 17, 1998, New Birth Broadcasting was advised by letter that the Commission had no record for the payment of its FY 1997 regulatory fee for Station WMBM, and that the licensee was to either submit payment or proof of payment within 20 days.

While the Commission will consider timely filed waiver requests, a review of the Commission's records indicates that you have made no attempt to show why you could not have filed WMBM's waiver request in a timely manner. Your failure to comply with the Commission's filing rules, has added to the Commission's regulatory burden and you have not made a compelling showing of why the Commission should consider your untimely waiver request. Thus, your request for waiver of the FY 1997 regulatory fee is dismissed.

Payment of the FY 1997 regulatory fee of \$1,600 Radio Station WMBM is now due. The \$1,600 fee should be filed together with a Form FCC 159 (copy enclosed) within 15 days from the date of this letter. You are cautioned, that the failure to submit payment as required, will result in the imposition of a 25% late payment penalty, and the initiating of a proceeding to recover the fees pursuant to the provisions of the Debt Collection Act.

If you have any questions concerning the fee payment, please call the Chief, Fee Section, at (202) 418-1995.

Sincerely,

Thomas M. Holleran

Acting Associate Managing

Director - Financial Operations

Enclosure

### 000000 BCB-98-038

New Birth Broadcasting Corporation

Bishop Victor T. Curry, General Manager/President

Dishop Victor 1. Curry, General	wininger/fresincili	<b>₽</b>
7mil 02 1008	S E E	<u>~</u>
April 03. 1998	FCC SECT	9 15
Attn: Managing Director Andrew S. Fishel Rm#852 Federal Communications Commission Washington, D.C. 20554	 O :&	AH '98

Dear Mr. Fisher.

Enclosed is a copy of the letter received from your office concerning the annual regulatory fees for 1997. Please accept this letter as a formal request for the waiver and deferral of the \$1.600.00 regulatory fee. My reason for doing so is simply that as a small radio station (am-1490) we are currently experiencing financial hardship.

If there are any further questions concerning this matter, please feel free to contact me at the below numbers (ext225). I look forward to receiving your response.

Thanking you in advance.

Sincerely.

Vanessa Davis, Bus Mgr



## Federal Communications Commission Washington, D.C. 20554

March 17, 1998

Dear Licensee:

This letter is in reference to the annual payment of your 1997 regulatory fee(s) which were due to the Federal Communications Commission (FCC) on September 19, 1997.

The FCC is currently verifying its FY '97 regulatory fee collections to identify those regulatees who have not paid. That process includes, but is not limited to, database verification, hard copy documentation research, review of fee-exempt certifications, and review of waivers requested and fee decisions issued.

After a close examination of our records, we have determined that there is no record of payment of your regulatory fee(s) for the following stations:

WMBM

Miami Beach, FL

\$1,600

We request that payment in full be remitted with the enclosed Form 159 to Federal Communications Commission, P.O. Box 358835, Pittsburgh, PA 15251-5835, according to the payment instructions, within twenty days of the date of this letter. You should also review your records to ensure that payments have been made for auxiliary stations associated with this call sign, for any other call signs assigned to you or for any prior fiscal years for which payments may be due. You should submit all payments that may be due.

If payment has been made, please provide a complete copy of your submission including proof of payment. If you believe you are not obligated to pay under the Commission's rules, please submit complete documentation supporting your position within twenty days of the date of this letter. These documents should be sent to:

Chief, Fee Section Federal Communications Commission 1919 M Street, N.W. - Room 452 Washington, DC 20554

If I may be of any further assistance, you may call me at 202/418-1995

Claudette Pride Chief, FCC Fee Section

Enclosures

## FEDERAL COMMUNICATIONS COMMISSION Washington, D. C. 20554

June 23, 1998

OFFICE OF MANAGING DIRECTOR

David Tillotson, Esquire 3421 M Street, N.W., #1739 Washington, D.C. 20007

Re: Fee Control # 9705088195841001

Dear Mr. Tillotson:

This will respond to your request for refund of an application fee submitted on behalf of Nikiski Communications, Inc. (Nikiski) in connection with its application for a new FM station to operate on Channel 227C2 at Nikiski, Alaska.

You maintain that, due to the freeze on processing mutually exclusive broadcast applications, as a consequence of the decision by the United States Court of Appeals in Bechtel v. FCC, 957 F. 2d 929 (D.C. Cir. 1992), Nikiski's application has never received any processing. Further, you state that, pursuant to amendments to the Communications Act which were enacted as a part of the Balanced Budget Act of 1997, the Commission is no longer authorized to award new broadcast channels by comparative hearing. Instead, it is required to award mutually exclusive broadcast channels by auction. In light of this change by which the Nikiski channel is to be awarded, Nikiski and the competing applicants entered into a settlement agreement, filed with the Commission on January 30, 1998, in which it has agreed to dismiss its application in consideration of a monetary payment. You contend that Nikiski is entitled to a refund of its application fee since its application has not been processed to date and, in view of the requested dismissal of its application, will receive no processing. Moreover, you argue that a refund is due because the Commission has modified its methodology for selection of broadcast station licensees.

The Commission's rules do not provide for refund of a filing fee upon the filing or the grant of a motion to withdraw an application pursuant to a settlement agreement. Moreover, the Commission has explicitly stated that a refund will not be granted once an application has cleared the fee review process, except in certain circumstances enumerated in Section 1.1113 of the Commission's Rules. 47 C.F.R. 1.1113. Section 1.1113(a)(4) of the Rules provides for refund of a filing fee when either a change in the rules or in the law nullify an application already accepted for filing. In the case of Nikiski, however, because its application was

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dismissed on its own volition as part of a settlement agreement rather than as a consequence of a change in the rules or the law rendering it a nullity, no refund is due.

Thus, your request is denied.

Sincerely,

Thomas M. Holleran

Acting Associate Managing

**Director - Financial Operations** 

#### 9705088195841001

Holl

## DAVID TILLOTSON Attorney at Law

3421 M Street, N.W., #1739 Washington, D.C. 20007

Telephone: Facsimile:

(202) 625-6241

le: (202) 965-<u>20</u>18

February 11, 1998

Mr. Andrew Fishel, Managing Director Federal Communications Commission 1919 M Street, N.W., Room 852 Washington, DC 20554

Re: Request for Filing Fee Refund -BPH-970507MC

Dear Mr. Fishel:

I am writing on behalf of Nikiski Communications, Inc. ("Nikiski") to request a refund of the \$2,470.00 filing fee that Nikiski paid in connection with its above-referenced application for a new FM station to operate on Channel 227C2 at Nikiski, Alaska..

The Commission charges filing fees for applications for new broadcast facilities to defray its costs of processing applications. Because of the freeze on processing mutually exclusive applications which has been in effect as a consequence of the decision of the United States Court of Appeals in *Bechtel v. FCC*, 957 F. 2d 929 (D.C. Cir. 1992). Nikiski's application has never received any processing. Moreover, at the time Nikiski filed its application, it did so in response to a window filing notice which stated that the Nikiski channel would be awarded by comparative hearing. However, pursuant to amendments to the Communications Act which were enacted as part of the Balanced Budget Act of 1997, the Commission is no longer authorized to award new broadcast channels by comparative hearing. Instead, is required to award them by auction. In light of this change in the procedures by which the Nikiski channel is to be awarded, Nikiski has entered into a settlement with the other applicant for the channel pursuant to which it has agreed to dismiss its application in consideration of receiving a monetary payment. A Joint Petition for approval of this Settlement was filed with the Commission on January 30, 1998.

As Nikiski's application has received no processing, and will not receive any processing in view of the fact that Nikiski has requested dismissal of its application, there is no basis for the Commission to retain Nikiski's filing fee which was paid to defray the costs of the processing that its application will never receive. It is particularly appropriate that the Commission should refund Nikiski's filing fee since Nikiski's decision to withdraw its application resulted from a fundamental change in the methodology that the Commission will use to award the Nikiski channel that was made long after Nikiski's application was filed. In these circumstances, it

would be fair to say that the fee was collected from Nikiski under false pretenses. Accordingly, it is requested that Nikiski's \$2,470.00 filing fee for its Nikiski FM application be promptly refunded.

If you have any questions concerning this request, please call me.

Sincerely.

David Tillotson

c: C.F. Dunham (via fax)

#### **Payment Transactions Detail Report**

Date: 3/13/98

BY: FEE CONTROL NUMBER

Fee Control Number

Payor Name

Account Number

Received Date

9705088195841001

TILLOTSON, DAVID

FCC2026403

05/07/97

**4606 CHARLESTON TERRACE NW** 

WASHINGTON

DC

20007

Payment Amount	nent Current Seq Type		Callsign Other Id	Other Applicant		Applicant Bad Zip Check		Frans I Code	Payment Type			
\$2,470.00	\$2,470.00	1	MTR	1	NEW	NIKISKI COMMUNICATIONS INC	99206		\$2,470.00	2	PMT	
Total									\$2,470.00			

#### FEDERAL COMMUNICATIONS COMMISSION

Washington, D. C. 20554 August 31, 1998

OFFICE OF MANAGING DIRECTOR

Mr. Stephen L. Goodman
Halprin, Temple, Goodman & Sugrue
1100 New York Ave., N.W.
Suite 650 East
Washington, D.C. 20005

Re: Request for Reduction of Regulatory Fee Orbital Communications Corporation Fee Control # 9709188835761001

Fee Paid: \$135,675

Dear Mr. Goodman:

This is in response to your request for a reduction in the Fiscal Year (FY) 1997 regulatory fee for Orbital Communications, Inc. (ORBCOMM). The FY 1997 annual regulatory fee for a Low-Earth Orbit Satellite (LEO) system is \$133,675. ORBCOMM has authority to develop a constellation with 36 satellites, and has requested authority to expand its constellation to 48 satellites. ORBCOMM has launched two of its proposed satellites and is offering limited commercial services.

ORBCOMM argues that the LEO satellite fee is excessive. It maintains that the revenue from its two satellites is sufficient to pay only a small fraction of the total fee. ORBCOMM also contends that the total cost of regulating LEO satellites is only \$6,194, and that the regulatory fee has no relation to the actual cost of regulating the LEO service.

The Commission has previously considered and rejected arguments that licensees should pay only a portion of their annual regulatory fees until their LEO systems are completed.

Assessment and Collection of Regulatory Fees for Fiscal Year 1997, FCC 97-215, ¶ 73-75 (June 26, 1997). The Commission said that the timing of the completion of satellite systems is outside of the control of the Commission, and that requiring the fee payment will insure that we recover the regulatory costs related to LEO systems, with existing LEO systems not being burdened with paying the regulatory fees for new systems any longer than necessary. The Commission also noted that LEO licensees may obtain waivers of the fees upon a showing of financial hardship. Assessment and Collection of Regulatory Fees for Fiscal Year 1997, supra.

ORBCOMM's argument that the regulatory fees are not related to the costs of regulation, is without merit. When the Commission implemented its accounting system to calculate the FY 1996 regulatory fees, the costs initially allocated to LEO regulation were artificially low because employees involved in regulation used the wrong accounting codes. After consulting with Bureau supervisory personnel we estimated the costs of regulating LEO systems, and then adjusted the fee requirement for a pro rated share of those costs allocated to all services. For FY 1997, the revenue requirements were based on actual accounting figures, pro rated to include those costs attributable to all services. The artificially low cost figure, cited by ORBCOMM, has no relationship to the actual costs of regulating LEO service.

Thus the request for waiver is denied. If you have any questions concerning the fees, please call the Chief, Fee Section, at (202) 418-1995.

Sincerely,

Mark Reger

Chief Financial Officer

### 9109188835761001

J.m

HALPRIN, TEMPLE, GOODMAN & SUGRUE

1100 NEW YORK AVENUE, N.W., SUITE 650 EAST WASHINGTON, D.C. 20005

(202) 371-9100 TELEFAX: (202) 371-1497 HTTP://WWW.HTGS.COM

ALBERT HALPRIN
RILEY K. TEMPLE
STEPHEN L. GOODMAN
MELANIE HARATUNIAN
WILLIAM F. MAHER. JR.

THOMAS J. SUGRU

J. RANDALL COOK

September 17, 1997

Federal Communications Commission Attention: Petitions P.O. Box 358835 Pittsburgh, PA 15252-5835

Re: Request for Reduction of Regulatory Fees

Dear Sir/Madame:

Orbital Communications Corporation ("ORBCOMM"), pursuant to Sections 1.1160(a)(3) and 1.1166 of the Commission's Rules, hereby requests a reduction in its annual regulatory fee payment for its low-Earth orbit satellite system. Under the newly adopted fee schedule, the annual regulatory fee for a low-Earth orbit satellite system is \$135,675. ORBCOMM has separately submitted that fee by wire transfer.

ORBCOMM is subject to this fee as a result of having successfully launched the initial two satellites of its low-Earth orbit constellation and begun to offer some initial commercial services. ORBCOMM believes the fee is excessive and highly disproportionate to the revenues ORBCOMM is receiving for its services, because until its full constellation is deployed, ORBCOMM can only offer service to a limited set of customers and applications. ORBCOMM thus requests a partial refund as explained below.

In the Order adopting the new regulatory fee schedule, the Commission recognized that given the necessity of a constellation of satellites in low-Earth orbit to provide service, financial hardship could result from imposition of the full fee when only a small part of the licensee's satellite system is launched. The Commission indicated that under such circumstances, low-Earth orbit system licensees "may obtain a

 $<sup>\</sup>frac{1}{2}$  47 C.F.R. § 1.1156.

Assessment and Collection of Regulatory Fees for Fiscal Year 1997, MD Docket No. 96-186, FCC 97-215, released June 26, 1997 at  $\P$ 's 74-75 (hereafter cited as "Regulatory Fees Order").

Federal Communications Commission September 17, 1997 Page 2

waiver, reduction or deferment of the fee" $^{3/}$ . ORBCOMM believes that it presents such a case.

When fully deployed, ORBCOMM's constellation will consist of up to 36 satellites in low-Earth orbit. The initial deployment of two satellites allows ORBCOMM to offer some services where intermittent availability is sufficient. The majority of the potential Little LEO market demand, however, cannot be fulfilled with only a small portion of the constellation deployed. Thus, ORBCOMM has only been able to provide limited commercial service to date, and its full constellation is not expected to be deployed until early to midnext year.

As a result of these current restrictions on its system capabilities as presently deployed (with only two satellites in orbit), ORBCOMM is receiving only limited revenues for its commercial offerings. The annual regulatory fee of \$135,675 represents more than twelve times ORBCOMM's 1996 annual U.S. service revenues of \$11,012. Under these circumstances, ORBCOMM believes that collection of the entire regulatory fee would create a hardship, thus justifying a waiver or reduction.

ORBCOMM also believes that a waiver or reduction is justified because the annual fee of \$135,675 appears to exceed by a significant amount the Commission's cost of regulating low-Earth orbit satellite systems. To the extent the International Bureau is incurring costs in processing the currently pending applications or engaging in international coordination of the licensed systems, those costs presumably are already being recovered through the significant application filing fees for low-Earth orbit satellite systems -- currently set at \$255,080.59

In addition, ORBCOMM observes that according to the Commission's own calculations of its costs of regulating

<sup>&</sup>lt;sup>3</sup> Regulatory Fees Order at  $\P$  75.

Orbital Communications Corporation, Order and Authorization, FCC Rcd 6476 (1994); recon. denied, 10 FCC Rcd 7801 (1995). ORBCOMM has requested a slight additional amount of spectrum to add twelve satellites to its constellation, thereby enhancing coverage in the Northern Latitudes. Orbital Communications Corporation, File No 28-SAT-MP/ML-95. Report No. DS-1484, November 25, 1994. ORBCOMM's request to expand its constellation to 48 satellites is being considered in the current Little LEO processing round.

Federal Communications Commission September 17, 1997 Page 3

different services (as required by Section 9(i) of the Communications Act and as set forth in Attachment D to the Regulatory Fees Order), the actual FY 1996 regulatory costs for low-Earth orbit satellites (including overhead and other indirect costs pro-rated) was \$6,194. Even when those costs were pro-rated to meet the \$152 million target set by Congress for the Commission as a whole, the total costs for low-Earth orbit satellite regulation were only \$6,571. The Attachment then inexplicably presents an "Adjusted Pro-Rated Costs" for low-Earth orbit satellites of \$2,412,035, including only a cryptic footnote referring to adjustments because certain accounting codes associated with international activities were utilized for only a small portion of FY 1996.

The \$2.4 million adjusted cost is some 367 times the pro-rated cost of \$6,571, or 389 times the actual cost of \$6,194. Thus, unless the "small portion" of time the accounting codes for low-Earth orbit satellites were in effect was less than one day (which does not seem plausible since presumably the codes would have to be in effect for at least a two week pay period), then the adjusted cost is significantly overstated. Moreover, compared to the other adjustments to the international regulatory fees, the adjustment for low-Earth orbit satellites appears to be materially skewed. Accordingly, ORBCOMM believes that relief is also appropriate here because the new annual regulatory fees significantly overstate the Commission's costs of regulating low-Earth orbit satellites. If

In light of the relative hardship imposed on ORBCOMM's limited commercial services and the apparent excessive fee level,

Even assuming the codes were in effect for the minimum time of a two week pay period, then the total low-Earth orbit adjusted costs would be \$170,846 (26 x \$6,571), significantly below the \$2.4 million figure appearing in Attachment D. Footnote 7 of the Regulatory Fees Order indicates that adjustments were also made because the employees were not aware of the LEO and Signatory codes, and thus continued to allocate their time to the old categories (presumably Space stations and Earth stations). However, the adjustments to the four seemingly relevant categories reflects significant increases to the LEO and Signatory categories, along with an increase to the Earth stations category, that together far exceed the reduction to the Space stations category.

In addition to this requested reduction, ORBCOMM has also filed a petition for reconsideration of the annual regulatory fee level set for the low-Earth orbit satellites. See ORBCOMM Petition for Reconsideration, filed August 11, 1997.

Federal Communications Commission September 17, 1997 Page 4

ORBCOMM requests a reduction of its annual fee payment for 1997. ORBCOMM seeks a reduction and refund of at least 50 percent because of these considerations. ORBCOMM believes, however, that the most appropriate annual regulatory fee would be \$6,571, the total, pro-rated costs for low-Earth orbit satellites. ORBCOMM respectfully requests expeditious review of this request.

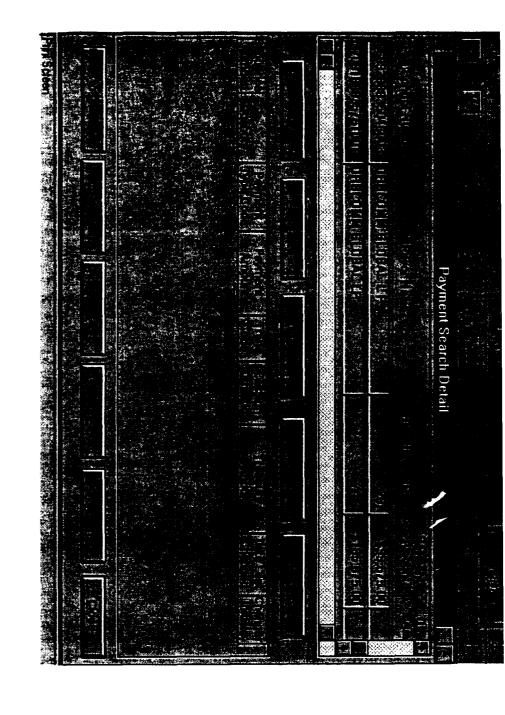
Please contact the undersigned if you have any questions with regard to this matter.

Sincerely,

Stephen L. Goodman

Counsel for ORBCOMM

cc: William Caton
Andrew Fishel
William Kennard



# FEDERAL COMMUNICATIONS COMMISSION Washington, D. C. 20554 August 10, 1998

OFFICE OF MANAGING DIRECTOR

RECEIVED

OCT - 8 1998

Mr. James Joseph Goudy Trustee Ottumwa Area Translator System, Inc. P.O. Box 423 Ottumwa, IA 52501

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

Re: Request for Refund of Regulatory

Fees

Fee Control Nos. 9408258835086006-008

Fees Paid: \$ 405

Fee Control Nos. 9509158835091004-006

Fees Paid: \$ 420

Fee Control Nos. 9609208835542001-003

Fees Paid: \$ 465

Fee control No. 9709248165267019

Fees Paid; \$ 135

Dear Mr. Goudy:

This is in response to your request for a refund of the Fiscal Years 1994, 1995 and 1996 regulatory fees for the Ottumwa Area Translator System Inc. (OATS). You assert that OATS is a non-profit corporation and that the fees were paid in error. In support of your request you submitted a copy of a Section 501(c)(4) Determination Letter finding that OATS was exempt from Federal Income Taxes. OATS also paid a Fiscal Year 1997 Regulatory Fee.

In establishing the regulatory fee program, Congress provided an exemption from the fee requirement for nonprofit entities. 47 U.S.C. § 159(h). The IRS Determination Letter establishes that OATS is a nonprofit corporation and exempt from payment of the regulatory fees.

Accordingly, your request is granted and regulatory fees paid will be refunded. A check, made payable to the maker of the original checks and drawn in the amount of \$1,425, will be sent to you at the earliest practicable time. If you have any questions concerning the refund, please contact the Chief, Fee Section at (202) 418-1995.

Sincerely

Mark Reger

Chief Financial Officer

### 9609208835542003

Jerry

Ottumwa Area Translator System Inc. P.O. Box 423 Ottumwa, Iowa 52501 March 19, 1998

Mr. Jerome Remson Esq. Attorney, Federal Communications Commission 1919 M. Street N.W. Washington D.C. 20554

Dear Mr. Remson:

In 1994, 1995 and 1996 the Ottumwa Area Translator System Incorporated, an Iowa nonprofit corporation, with Letter of Determination from the IRS, paid the Mass Media Regulatory Fees.

These fees were paid in error and the Ottumwa Area Translator System Incorporated, hereafter OATS, is asking the Federal Communications Commission to refund these fees.

Enclosed are copies of FCC Form 159 for the years 1994, 1995, and 1996 and copies of the OATS checks for the Mass Media Regulatory Fees for those years. Also enclosed is a copy of the IRS Letter of Determination (in force until April 13, 2014 providing our purposes, character or method of operation does not change.) showing that the OATS is a Section 501 (c) (4) corporation.

In June 1994 the first Mass Media Regulatory Fee request was sent to the Ottumwa Area Translator System and received by Mr. Gerry Brown. Mr. Brown, a long time volunteer trustee of the Ottumwa Area Translator System, was at the time handling the business for the organization. Mr. Brown was, unfortunately, suffering from a terminal illness that would very shortly take his life. I am mentioning this fact because I feel it may have contributed to the errors that the OATS made in filing and paying Mass Media Regulatory fees.

I am sure that Mr. Brown felt that the OATS needed to pay the Mass Media Regulatory Fees, even though a more careful reading of the Fee Guide would have indicated otherwise. It should also be noted that the dollar amount selected from the Regulatory Fee Guide was that for a Multipoint Distribution System and not that for a Television Translator System. This was another indication to me that a careful reading of the Mass Media Regulatory Fee Guide was not made.

After Mr. Brown's death, those who were taking care of the OATS business followed the previous example and paid (in error) the Mass Media Regulatory Fees using the schedule for a Multipoint Distribution System in both 1995 and 1996.

In late September 1997, I received the Mass Media Regulatory Fee Guide and documents from Ms. Joyce Amos, who acts as the treasurer for the OATS organization.

After a reading of the Mass Media Regulatory Fee Guide, I saw that the OATS was exempt from the payment of these fees because of the nonprofit status of the organization.

On October 14, 1997, I spoke with Mr. Jim Mullins of the Federal Communications Commission, regarding the Mass Media Regulatory Fees and the OATS. Mr. Mullins indicated that as printed in the Fee Guide, a nonprofit organization with a letter of determination from the IRS need not submit any Mass Media Regulatory Fees.

Accordingly, the Ottumwa Area Translator System Inc. has not submitted any Regulatory Fees for 1997.

In requesting refunds of these fees for 1994, 1995, and 1996, it can be stated that it was the intent of the United States Congress in the Omnibus Budget Reconciliation Act of 1993, to exempt nonprofit entities, such as the OATS from the Mass Media Regulatory Fees. This is so stated on page 8 of the FY1997 Mass Media Regulatory Fees - Public Notice.

In requesting refund of the aforementioned fees, it can be stated that the Federal Communications Commission has established a mechanism whereby requests for waivers, reductions, or deferments of Regulatory Fees and Refunds are possible under certain circumstances. This is stated under the section entitled WAIVERS, REDUCTIONS AND DEFERMENTS OF REGULATORY FEES on page 4-5 of the FY 1997 Mass Media Regulatory Fees - PUBLIC NOTICE.

Therefore, the Ottumwa Area Translator System Incorporated should be refunded the following amounts from fees paid in error:

YEAR_	STATION CALL	AMOUNT PAID	YEARLY TOTAL
1994	K25DE	\$135.00	
	K23CI	135.00	
	K27CV	<u> 135.00</u>	
			\$405.00
1995	K25DE	\$140.00	
	K23CI	140.00	
	K27CV	_140.00	
			\$420.00
1996	K25DE	\$155.00	
	K23CI	155.00	
	K27CV	155.00	
			\$465.00
		TOTAL	\$1,290.00

The refund total is \$1290.00 Thank you very much for your prompt handling of this matter.

Very truly yours,

James Joseph Goudy, Member

Board of Trustees

Ottumwa Area Translator System

JJG/dmg

Enclosures:

copy to:
Mr. Andrew S. Fishel
Managing Director
Federal Communications Commission
1919 M. Street N.W.
Washington D.C. 20554

#### Johnson, Hester, Walter, Harrison & Breckenridge, L.L.P.

ATTORNEYS AT LAW

III WEST SECOND STREET

P.O. BOX 716

DAVID J. HESTER THOMAS M. WALTER GAYLA R. HARRISON ROBERT E. BRECKENRIDGE, II OTTUMWA, IOWA 52501-0716 OF COUNSEL: WALTER F. JOHNSON

TELEPHONE (515) 684-5481 TELECOPIER (515) 684-5487

October 10, 1997

OATS c/o Glen Hughes Box 189 Eldon IA 52554

Dear Glen:

Pursuant to your request, I enclose herewith a copy of the Letter of Determination from the Internal Revenue Service dated December 18, 1978, determining that the OATS organization was exempt from federal income tax as a 501(c)(4) organization. I trust that this answers your inquiry, but if you have any additional concerns, please let me know.

Very truly yours,

JOHNSON, HESTER, WALTER, HARRISON & BRECKENRIDGE, L.L.P.

Devid J. Kester

BY Ag

DJH (bb)

Enclosure

Department of the Treasury

P.O. Box 1123, Central Station St. Louis, MO 63188

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#### Internal Revenue Service

In reply refer to:

DEC 1 8 1978

EP/EO:7206:G. Morrison



StL:E0:78:2212

Ottumwa Area Translator System, Inc. P.O. Box 423 Ottumwa, Iowa 52501

internal Revenue Code: Section 501(c) (Δ)

Form 990 Required: TY Yes 🔲 No

Accounting Period Ending: December 31

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under the provisions of the Internal Revenue Code section indicated above.

Unless specifically excepted, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$50 or more to each of your employees during a calendar quarter. And, unless excepted, you are also liable for tax under the Federal Unemployment Tax Act on remuneration of \$50 or more to each of your employees during a calendar quarter if, during the current or preceding calendar year, you have one or more employees at any time in each of 20 calendar weeks or pay wages of \$1,500 or more in any calendar quarter. If you have any questions about excise, employment, or other Federal taxes, please address them to this office.

If your purposes, character, or method of operation is changed, you must let us know so we can consider the effect of the change on your exempt-status. Also, you must inform us of all changes in your name or address.

The block checked at the top of this letter shows whether you must file Form 990, Return of Organization Exempt From Income Tax. If the Yes box is checked, you are only required to file Form 990 if your gross receipts each year are normally more than \$5,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, for failure to file the return on time.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Please keep this determination letter in your permanent records.

As a social welfare organization, contributions to you are not deductible by the donor. You should advise potential contributors to that effect.

The provisions of this letter will be terminated on April 13, 2014 unless your corporate life is extended prior to that date.

Sincerely yours,

R. C. Noskiil

District Director

Approved by Ol 3060-0589 Expires 2/28/9 FCC REMITTANCE ADVICE

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for the service(s)/authorization(s) herein describe. See public burden estimate on reverse.

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#### FEDERAL COMMUNICATIONS COMMISSION Approved by O 3060-0589 FCC REMITTANCE ADVICE **Expires 2/28/** PAGE NO. \_\_1\_\_ OF \_\_ (RESERVED) SPECIAL USE FCC USE ONLY (Read instructions carefully BEFORE proceeding.) PAYOR INFORMATION (1) FCC ACCOUNT NUMBER (2) TOTAL AMOUNT PAID (dollars and cents Did you have a number prior to this? Enter it. 4 2 - 10 1 9 8 8 8 • 00 (3) PAYOR NAME (If paying by credit card, enter name exactly as it appears on your card) OTTUMWA AREA TRANSLATOR SYSTEM INC. (4) STREET ADDRESS LINE NO. 1 P.O. BOX 423 (5) STREET ADDRESS LINE NO. 2 TOWER LOCATION RT. 6 (6) CITY (7) STATE (8) ZIP CODE CTTU MW A 52501 IOW A (9) DAYTIME TELEPHONE NUMBER (Include area code) (10) COUNTRY CODE (if not U.S.A.) ITEM #1 INFORMATION (11A) NAME OF APPLICANT, LICENSEE, REGULATEE, OR DEBTOR FCC USE ONLY Tanua AREA TRANSLATOR System INC. (13A) ZIP CODE (16A) FEE DUE FOR PAYMENT TYPE CODI IN BLOCK 14 (14A) PAYMENT TYPE CODE (15A) QUANTITY K 27 CV 5250 1 (18A) FCC CODE 2 (19A) ADDRESS LINE NO. 1 (21A) CITY/STATE OR COUNTRY CODE (20A) ADDRESS LINE NO. 2) **ITEM #2 INFORMATION** FCC USE ONLY (13B) ZIP CODE (16B) FEE DUE FOR PAYMENT TYPE CODE IN BLOCK 14 (14B) PAYMENT TYPE CODE (15B) QUANTITY \$ (18B) FCC CODE 2

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See public burden estimate on reverse.

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#### FEDERAL COMMUNICATIONS COMMISSION Approved by O 3060-0589 FCC REMITTANCE ADVICE **Expires 2/28/9** PAGE NO. \_\_1\_\_ OF \_\_\_ (RESERVED) SPECIAL USE FCC USE ONLY (Read instructions carefully BEFORE proceeding.) PAYOR INFORMATION (2) TOTAL AMOUNT PAID (dollars and cent: (1) FCC ACCOUNT NUMBER Did you have a number prior to this? Enter it. OTTUMWA AREA TRANSLATOR SYSTEM INC. (4) STREET ADDRESS LINE NO. 1 P.O. Box 423 (5) STREET ADDRESS LINE NO. 2 TOWER LOCATION RT. 6 (6) CITY (7) STATE 52501 OTTUMWA LOW A (9) DAYTIME TELEPHONE NUMBER (Include area code) (10) COUNTRY CODE (if not U.S.A.) ITEM #1 INFORMATION (11A) NAME OF APPLICANT, LICENSEE, REGULATEE, OR DEBTOR FCC USE ONLY TRANSLATOR TanuA AREA System INC. (13A) ZIP CODE (14A) PAYMENT TYPE CODE (15A) QUANTITY (16A) FEE DUE FOR PAYMENT TYPE CODE IN BLOCK 14 K 23 C T 52501 (18A) FCC CODE 2 (19A) ADDRESS LINE NO. 1 (20A) ADDRESS LINE NO. 2) (21A) CITY/STATE OR COUNTRY CODE ITEM #2 INFORMATION (11B) NAME OF APPLICANT, LICENSEE, REGULATEE, OR DEBTOR FCC USE ONLY (12B) FCC CALL SIGN/OTHER ID (13B) ZIP CODE (15B) QUANTITY (14B) PAYMENT TYPE CODE (16B) FEE DUE FOR PAYMENT TYPE CODE IN BLOCK 14 \$ (17B) FCC CODE 1 (18B) FCC CODE 2 (19B) ADDRESS LINE NO. 1 (20B) ADDRESS LINE NO. 2 (21B) CITY/STATE OR COUNTRY CODE CREDIT CARD PAYMENT INFORMATION (99)

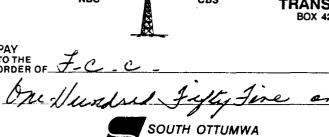
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(23) I hereby authorize the FCC to charge my VISA or Mastercard for the service(s)/authorization(s) herein describe.

**AUTHORIZED SIGNATURE** 

DATE



SAVINGS BANK 1:0739006901 TREASURER

006904#

BY: FEE CONTROL NUMBER

Fee Control Number Payor Name Account Number Received Date Date: 3/26/98

9408258835086008

OTTUMWA AREA TRANSLATOR SYSTEM

FCC6392

08/22/94

**PO BOX 423** 

**TOWER LOCATION RR 6** 

**OTTUMWA** 

IA

52501

Payment Amount	Current Balance	Seq Num	Payment Type Code	t Quantity	Callsign Other Id	Applicant Name	Applicant Zip	Bad Check		Frans Code	Payment Type
\$135.00	\$135.00	1	MSTN	1	K25DE	OTTUMWA AREA TRANSLATOR SYSTEM	52501		\$135.00	1	PMT
Total									\$135.00		

Date: 3/26/98

BY: FEE CONTROL NUMBER

Fee Control Number

Payor Name

Account Number Received Date

9408258835086006

OTTUMWA AREA TRANSLATOR SYSTEM

421019888

08/22/94

PO BOX 423

**TOWER SITE RR 6** 

**OTTUMWA** 

52501

IA

	ayment Amount	Current Balance	Seq Num	Payment Type Code	Quantity	Callsign Other Id	Applicant Name	Applicant Zip	Bad Check		rans Code	Payment Type
	\$135.00	\$135.00	1	MSTN	1	K23CI	OTTUMWA AREA TRANSLATOR SYSTEM			\$135.00	1	PMT
Total										\$135.00		

Page 1 of 1

Date: 3/26/98

BY: FEE CONTROL NUMBER

Fee Control Number

Payor Name

Account Number

Received Date

9408258835086007

OTTUMWA AREA TRANSLATOR SYSTEM

FCC6392

08/22/94

PO BOX 423

**TOWER LOCATION RR 6** 

OTTUMWA

52501

Payment Amount	Current Balance	Seq Num	Payment Type Code	Quantity	Callsign Other Id	Applicant Name	Applicant Zip	Bad Check	Detail Amount	Trans Code	Payment Type
\$135.00	\$135.00	1	MSTN	1	K27CV	OTTUMWA AREA TRANSLATOR SYSTEM	52501		\$135.00	1	PMT
Total									\$135.00	i .	

Date: 3/26/98

BY: FEE CONTROL NUMBER

Fee Control Number

Payor Name

Account Number

Received Date

9509158835091004

OTTUMWA AREA TRANSLATOR SYSTEM

FCC2008149

09/14/95

PO BOX 423

RT 6

**OTTUMWA** 

IA 52501

Callsign Other Id **Payment** Trans Payment Code Type Payment Amount Type Applicant Name Applicant Zip Current Balance Seq Bad Detail Code Num Check Amount Quantity \$140.00 1 K25DE OTTUMWA AREA TRANSLATOR SYSTEM PMT \$140.00 \$140.00 1 MDSN 1 52501

Total

\$140.00

Date: 3/26/98

BY: FEE CONTROL NUMBER

Fee Control Number

Payor Name

Account Number

Received Date

9509158835091006

OTTUMWA AREA TRANSLATOR SYSTEM

FCC2008149

09/14/95

PO BOX 423

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**OTTUMWA** 

IA 52501

Payment Type Code Callsign Other Payment Amount Applicant Name Applicant Zip Trans Payment Code Type Seq Bad Detail Current ld Balance Num Check Amount Quantity K23CI OTTUMWA AREA TRANSLATOR SYSTEM PMT \$140.00 \$140.00 1 MDSN 1 \$140.00 1

Total

\$140.00

BY: FEE CONTROL NUMBER

Fee Control Number Payor Name

Account Number Received Date

9509158835091005

OTTUMWA AREA TRANSLATOR SYSTEM

FCC2008150

09/14/95

PO BOX 423

RT 6

**OTTUMWA** 

IA 52554

	Payment Amount	Current Balance	Seq Num	Payment Type Code	Quantity	Callsign Other Id	Applicant Name	Applicant Zip	Bad Check		Frans   Code	Payment Type
	\$140.00	\$140.00	1	MDSN	1	K27CV	OTTUMWA AREA TRANSLATOR SYSTEM	52501		\$140.00	1	PMT
TAPAI	<del></del>											

Page 1 of 1

Date: 3/26/98

BY: FEE CONTROL NUMBER

Fee Control Number

Payor Name

Account Number

Received Date

9609208835542001

OTTUMWA AREA TRANSLATOR SYSTEM

FCC2028584

09/18/96

PO BOX 423

**TOWER LOCATION RT 6** 

**OTTUMWA** 

IA

52501

	Payment Amount	Current Balance	Seq Num	Payment Type Code	Quantity	Callsign Other Id	Applicant Name	Applicant Zip	Bad Check	Detail Amount	Trans Code	Payment Type
_	\$155.00	\$155.00	3	MDS6	1	K25DE	OTTUMWA AREA TRANSLATOR SYSTEM	52501		\$155.00	1	PMT
	\$155.00	\$155.00	1	<b>ZZZZ</b>	1	K25DE	OTTUMWA AREA TRANSLATOR SYSTEM	52501		\$155.00	1	PMT
	\$155.00	\$155.00	2	<u> 7777</u>	1	K25DE	OTTUMWA AREA TRANSLATOR SYSTEM	52501		(\$155.00)	) 1	ADJ
Total	3									\$155.00	ī	

Page 1 of 1

Date: 3/26/98

BY: FEE CONTROL NUMBER

Fee Control Payor Account Received Number Name Number Date

9609208835542003 OTTUMWA AREA TRANSLATOR SYSTEM FCC2028584

09/18/96

Date: 3/26/98

**PO BOX 423** 

**TOWER LOCATION RT 6** 

OTTUMWA

52501

	yment mount	Current Balance	Seq Num	Payment Type Code	Quantity	Callsign Other Id	Applicant Name	Applicant Zip	Bad Check		Trans Code	Payment Type
	\$155.00	\$155.00	3	MDS6	1	K27CV	OTTUMWA AREA TRANSLATOR SYSTEM	52501		\$155.00	1	PMT
:	\$155.00	\$155.00	1	ZZZZ	1	K27CV	OTTUMWA AREA TRANSLATOR SYSTEM	52501		\$155.00	1	PMT
	\$155.00	\$155.00	2	ZZZZ	1	K27CV	OTTUMWA AREA TRANSLATOR SYSTEM	52501		(\$155.00)	1	ADJ
Total	3									\$155.00	:	

BY: FEE CONTROL NUMBER

Fee Control Number Payor Name Account Number

Received Date Date: 3/26/98

9609208835542002

OTTUMWA AREA TRANSLATOR SYSTEM

FCC2028584

09/18/96

PO BOX 423

**TOWER LOCATION RT 6** 

**OTTUMWA** 

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52501

	Payment Amount	Current Balance	Seq Num	Payment Type Code	Quantity	Callsign Other Id	Applicant Name	Applicant Zip	Bad Check		Trans Code	Payment Type
	\$155.00	\$155.00	3	MDS6	1	K23CI	OTTUMWA AREA TRANSLATOR SYSTEM	52501		\$155.00	1	PMT
	\$155.00	\$155.00	1	<b>ZZZZ</b>	1	K23CI	OTTUMWA AREA TRANSLATOR SYSTEM	52501		\$155.00	1	PMT
	\$155.00	\$155.00	2	ZZZZ	1	K23CI	OTTUMWA AREA TRANSLATOR SYSTEM	52501		(\$155.00)	1	ADJ
Total	3									\$155.00		

BY: FEE CONTROL NUMBER

Fee Control Number Payor Name Account Number Received Date Date: 3/26/98

9709248165267019

OTTUMWA AREA TRANSLATOR SYSTEM

FCC2045375

09/23/97

PO BOX 423

OTTUMWA

IA 52501

	Payment Amount	Current Balance	Seq Num	Payment Type Code	Quantity	Callsign Other Id	Applicant Name	Applicant Zip	Bad Check	Detail Amount		Frans I	Payment Type
	\$135.00	\$135.00	1	MAL	1	K23CI	OTTUMWA AREA TRANSLATOR SYSTEM	52501			\$45.00	1	PMT
	\$135.00	\$135.00	2	MAL	1	K25DE	OTTUMWA AREA TRANSLATOR SYSTEM	52501			\$45.00	1	PMT
	\$135.00	\$135.00	3	MAL	1	K27CV	OTTUMWA AREA TRANSLATOR SYSTEM	52501			\$45.00	1	PMT
Total	3										135.00		

# FEDERAL COMMUNICATIONS COMMISSION Washington, D. C. 20554

July 10, 1998

RECEIVED

OCT - 8 1998

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

OFFICE OF MANAGING DIRECTOR

William K. Keane, Esquire Arter & Hadden 1801 K St., N.W. Suite 400 Washington, D.C. 20006-1301

Re: Pan Caribbean Broadcasting Corp.
Petition for Reduction of Regulatory Fees

Dear Mr. Keane:

This is in response to the Petition for Reduction of Regulatory Fee filed by Pan Caribbean Broadcasting Corp. Pan Caribbean asserts that because of geographic difficulties faced by Puerto Rican stations in achieving coverage, the large number of radio stations in Puerto Rico, and the isolation of rural communities served by those stations, that the fees assessed Pan Caribbean should be reduced.

Section 9(d) of the Communications Act provides that "[t]he Commission may waiver, reduce, or defer payment of a fee in any specific instance for good cause shown . . . " 47 U.S.C. § 159(d). This provision permits the grant of waivers only on a case-by-case basis, based on specific public interest factors. Implementation of Section 9 of the Communications Act, 9 FCC Rcd 5333, 5344 ¶ 29 (1994). Pan Caribbean's arguments refer to problems allegedly faced by Puerto Rican stations generally without setting forth specific facts to show that its station does not cover the area attributed to it.

In this regard, we note that the FY 1997 regulatory fees for all AM stations were derived by calculating the populations within the 0.5 mV/m contour of each individual station, which is their daytime protection contour. Consequently, as a matter of equity, recalculation of a station's service area using a different contour for measuring population would require the recalculation of service areas, populations, and fees, at a minimum, for all radio broadcast stations, in order to insure the Commission's ability to collect the required amount in fees.

We recognize that some broadcasters believe that the city grade contour which each licensee is required to place over its community of license may be a better reflection of the "core" population served by that station, and we contemplate using the city grade contour to calculate FY 1998 radio regulatory fees. However, the 0.5 mV/m contour is appropriate in formulating the methodology for calculating the FY 1997 regulatory fees because

Mr. Keane 2

that contour does represent the area in which listeners are within the station's protected signal contours. Thus, the Commission will not reduce, on an ad hoc basis, an individual station's regulatory fee solely because its population served would be lower had we relied on a different service contour. To warrant a waiver, it would be incumbent on Pan Caribbean to establish that populations calculated to be within its 0.5 mV/m contour is not reflective of the population within its daytime, interference free contour.

Pan Caribbean has not alleged specific facts showing that there is an error in the calculations of the population within its daytime interference free contour and its petition is denied. If you have any questions concerning the regulatory fees, please call the Chief, Fee Section, at (202) 418-1995.

Sincerely,

Thomas M. Holleran

Acting Associate Managing

Director - Financial Operations

#### DOCUMENT INDEX TERMS



Public reporting burgen for this collection of information is estimated to average 1 minute per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of it including suggestions for reducing the burgen to the Federal Communications. Information and Records Management Branch, Room 416, wa ICC 20554, and to the Office of information and Regulatory Affairs. Office of Management and Budget, Paperwork Reduction Project (2080-), washington, ICC 20503.

The document Index terms requested below will be used by the Federal Communications Commission to assist the public in querying docketed information contained in its Records Imaging System (RIPS). Please complete only Items numbered 1 through 7 below. Provide the appropriate information conce your filling by typing the information in the blanks provided. Do not handwrite. Use no more characters per line than the number shown in parentheses. Cut at dotted line and papercilp (do not a this form to the first page of your filling. You may create your own form as long as all thirteen (13 terms (including "FCC Use Only" terms) are listed in the exact order shown. Leave an index term blan is not applicable to your filling.

DOCI	MENT I	NIDEV	TEBLIC
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1.	Docket Number (7) MD Docket 96-186
2.	Rulemaking Number (6)
3.	Date of filed document (mm/dd/yy) (8) 10/4/97
4.	Name of Applicant/Petitioner (last, first, mi) (25) Pan Caribbean Broadcasting Corp.
5.	Law Firm Name (25) Arter & Hadden
6.	Attorney/Author Name (last, first, mi) (25) Keane, William K.
7.	File Number (20)
8.	Document Type (2) (FCC Use Only)
9.	FCC/DA Number (10) (FCC Use Only)
10.	Release/Denied Date (mm/dd/yy) (8) (FCC Use Only)
1 1.	Receipt Date (mm/dd/yy) (8) (FCC Use Only)
12.	Viewing Status (1) (FCC Use Only)
13.	Ex Parte/Late Filed (1) (FCC Use Only)

#### BEFORE THE

## Federal Communications Commission

WASHINGTON, D.C. 20554

RECEIVED

OCT - 7 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In re the Matter of	)	
Assessment & Collection of	)	MD Docket 96-186
Regulatory Fees for Fiscal	)	
Year 1997	)	
	)	
	)	
	)	

TO: The Managing Director

#### PETITION FOR REDUCTION IN REGULATORY FEES AND REQUEST FOR REFUND

Pan Caribbean Broadcasting Corp. ("Licensee"), pursuant to Section 1.2 of the Federal Communications Commission's Rules, hereby petitions for a ruling declaring it exempt, in part, from payment of the regulatory fee increase applicable to its radio stations and hereby requests that the Commission refund the amount of regulatory fees the licensee has paid that is over and above the 38% amount increase attributable to the increase in costs for enforcement, policy and rulemaking, international and user activities in FY 1997.

#### I. Introduction

1. On June 26, 1997, the FCC issued its revised schedule of annual regulatory fees for 1997. See Commission Report and Order, MD Docket No. 96-186 (Released June 26, 1997) ("FY 1997 Fee Order"). The regulatory fees contained therein represented a substantial increase in the fees due for these stations in previous years. Part of that increase results from an overall increase in costs for enforcement, policy and rule making, international and user information activities in FY 1997, which the Commission is obligated to recover. The amount of such

for the licensee which were substantially greater than 38% over last year's fees. The amount of the fee increase above the 38% mark is due to the FCC's new methodology of calculating annual regulatory fees for AM and FM Stations. Licensee has already paid the full amount of the regulatory fees due for each of its two stations as set forth in the FY 1997 Fee Order, and seeks only a reduction of any increase over and above the 38%, as such increase is based on the FCC's fees determination methodology. Licensee hereby requests a refund of the amount it paid the increase is determination over and above the 38% or \$847.80 for WMDD(AM) and \$275.00 for \$2.50 \text{ COMMODY(FM)}. In support of this request, the following is submitted.

#### II. Argument

- 2. Section 9(d) of the Communications Act of 1934, as amended, provides that "[t]he Commission may waive, reduce, or defer payment of a fee in any specific instance for good cause shown, where such action would promote the public interest." 47 U.S.C. 159(d); see 47 C.F.R. § 1.1166 (1995).
- 3. In its FY 1997 Fee Order, the FCC instituted a new fee structure for assessment of AM and FM broadcast fees for FY 1997. The Commission's objective in doing so was to more accurately "associate population density and service area contours with license data." FY 1997 Fee Order, at page 19. By basing fees on class of station and population served, the FCC hoped to provide "a fair and equitable means of distinguishing between stations located in metropolitan areas and those located in rural areas." Id. at 23. The expected result is that generally larger stations and those located in larger metropolitan areas will be more likely to be assessed higher

fees and small stations and those located in rural areas will be more likely to be assessed lower fees. <u>Id.</u> While Licensee does not challenge the Commission's contention that generally these objectives have been realized due to its implementation of the new methodology, it is noted that proportionately, with respect to the fee increase, small rural stations on the island of Puerto Rico, including the Stations at issue here, are bearing a significantly greater share of the increase than the large metropolitan stations.

- 4. The disproportionate fee increase appears to be the combined result of several factors unique to Puerto Rico, not just one specific circumstance. As is more fully described below, these factors include the Island's unusual geographical characteristics, its dense but predominately rural population, the implementation of certain technical standards, which although in compliance with Commission requirements, are at variance with similarly situated stations located in the 48 contiguous states, and the inherent localism of the stations.
- 5. First, a number of factors particular to an island location converge to result in disproportionate fees for small stations in Puerto Rico. Geographically, Puerto Rico is small and its terrain is quite rugged. Puerto Rico is approximately 90 miles long (east to west) and thirty miles wide (north to south), bisected east to west by a central mountain range which effectively blocks broadcast signals directed across its heights. Isolated high points also exist throughout the island which make it difficult to sustain a good quality broadcast signal even at shorter distances.
- 6. Recognizing the inherent difficulties these geographical considerations pose to coverage and the need to enhance the abilities of the Puerto Rico stations to better serve the needs of their audiences, the FCC has authorized, through waivers and/or specific rules and

regulations, the use of more powerful transmitters and/or larger antennas than would otherwise be permitted. Additionally, the FCC has adopted special short spacing rules for Puerto Rico stations, which permit the construction of a greater number of stations in a smaller area than would be the case on the mainland. See 47 C.F.R. § 73.215. Taken together, these specialized technical rules artificially inflate the annual regulatory fees due for these stations under the FCC's new fee methodology.

7. While admittedly the variances mentioned above are necessary to Puerto Rican radio operations, their impact with respect to the regulatory fee obligations of small rural stations in Puerto Rico, including the Stations at issue here, is profound. First, the short spacing rules create significant congestion in the radio market, particularly in the rural areas. Consequently, there is more contour overlap and thus more contour interference. The effects of this congestion are further magnified by the fact that 90% of the radio stations on the Island are located along the coastline, the implication being that some portion of these stations' signals are transmitting over the ocean. Finally, even though the terrain, contour overlap and interference generally preclude the Stations from transmitting a signal of any quality beyond their communities of license, the expanded facilities requirements (i.e., ERP and HAAT variances) produce a greater maximum

For example, Class A stations in Puerto Rico are authorized a maximum ERP of 6kW and a reference HAAT of 240 m. While Class A stations in the 48 contiguous states are authorized the same maximum ERP, the maximum authorized reference HAAT is only 100 m. The same comparison applies to Class Bl and Class B stations. While the maximum allowable ERP is the same, Puerto Rican stations have been authorized a greater reference HAAT. See 47 C.F.R. § 73.211.

theoretical class contour distance for the Stations.<sup>2</sup> Thus, because the new fee methodology is tied to both the class of the station and the population being served, and because the Stations have a larger theoretical area of coverage and therefore a seemingly larger population base, albeit a technically unreachable population base, the Stations have seen a disproportionate increase in their fee obligations.

8. Moreover, although Puerto Rico is rather small, it has a strong radio presence. Roughly 120 licensed or authorized radio stations exist on the island, the majority of which are small, privately owned stations which serve rural communities. Puerto Rico is also densely populated. Approximately the size of the State of Connecticut, it is home to a total 1990 Census population of 3,522,037 persons. These people, however, are not highly mobile like the residents of Connecticut who commute daily to New York to work. Rather, all of the daily activities of the residents of Puerto Rico occur within their own or neighboring communities, which are considered as distinct as the cities of Washington, New York and Boston. This localization is further evidenced by the findings of the U.S. Census Bureau, which has divided the Island into four Metropolitan Statistical Areas ("MSAs"), <sup>3/2</sup> and by the Commission, who has utilized such

This is best illustrated by comparing the maximum limits for Puerto Rican FM stations to those of the same class in the 48 contiguous states. The maximum contour distances for FM stations in Puerto Rico is as follows: 42 for Class A stations, 46 for Class B1 stations, and 78 for Class B stations. In contrast, the maximum contour distances for the same class of stations on the mainland is: 28 for Class A stations, 39 for Class B1 stations, and 52 for Class B stations.

An MSA comprises one or more counties containing either a place with at least 50,000 inhabitants or an urbanized area and a Metropolitan Area (MA) total population of at least 100,000. Contiguous counties are included if they have close social and economic links

MSAs when considering waivers of the one-to-a-market multiple ownership rule to help define applicable broadcast markets in Puerto Rico. See WLDI. Inc. (Assignor) and Pedro Roman Collazo (Assignee) for Assignment of License of Station WRAI (AM). San Juan. Puerto Rico, 1 CR 862, 10 FCC Rcd 12150 (September 28, 1995).

- 9. The existence of these alternative MSAs demonstrates that population, commuting, and business patterns are fractured. Thus, the mere fact that a station's signal from one market might spill into the population center of another's doesn't mean people there will be listeners, or more importantly, that advertisers will buy time on the station. This impact is even greater on the rural stations which have populated areas but are not considered stations in the populated area by listeners or advertisers.<sup>4</sup>/
- 10. Given the Commission's intent to treat Puerto Rico specially, as evidenced by these different technical rules and standards, and given its intent to more accurately associate the regulatory fee assessment with population density and the fact that a completely opposite result is reached when this methodology is applied to the Stations because of the artificial factors which inflate the Stations' population base, it would be unfair and inequitable not to refund to Licensee that portion of its regulatory fees that are more than 38% over last year's fees. Moreover, because of the generally more depressed nature of the Puerto Rico economy, increases over the

with the area's population nucleus.

Because stations are strongly tied to their community of license, most if not all of a station's advertising dollars come from local advertisers. These advertisers service only local consumers and therefore do not generally purchase advertising outside the community of license.

38% mark confer a disproportionately greater burden on Puerto Rico licensees. In this instance, the drastic and disproportionate increases have caused the Licensee to suffer severe financial strain and limit its ability to serve the public.

11. As indicated above, the Commission has the authority to reduce or defer the regulatory fee requirement in instances where reduction or deferral would promote the public interest. See 47 C.F.R. § 1.1166 (1997). For the reasons noted above, the Commission should exercise this discretion in the case of Licensee.

#### III. Conclusion

Licensee has demonstrated that as a result of the artificial factors influencing the Stations' area of coverage and population base, application of the current fee schedule and imposition of a regulatory fee increase over and above the amount mandated by Congress would result in a grossly unfair burden. In order for Licensee to continue its operations and meet the needs of its listeners, Licensee respectfully requests that the Commission exercise its authority in this case

and exempt Licensee from the regulatory fee increase requirement, over and above the 38% mandated by Congress, and refund the amount Licensee has already paid for WMDD and WDOY that is over and above the 38%.

Respectfully submitted

Richard J. Friedman

President

Dated: October 4 ,1997

BY: FEE CONTROL NUMBER

Fee Control Number Payor Name Account Number Received Date Date: 4/28/98

9709228835238001

ARTER & HADDEN

FCC2029250

09/18/97

1801 K STREET NW SUITE 400K

WASHINGTON

DC

20006

Payment Amount	Current Balance	Seq Num	Payment Type Code	Quantity	Callsign Other Id	Applicant Name	Applicant Zip	Bad Check	Detail Amount	Trans Code	Payment Type
\$3,900.00	\$3,900.00	4	MUB7	1	KA35208	PAN CARIBBEAN BROADCASTING COR	00906	***************************************	\$25.00	1	PMT
\$3,900.00	\$3,900.00	6	MUB7	1	KG5974	PAN CARIBBEAN BROADCASTING COR	00906		\$25.00	1	PMT
\$3,900.00	\$3,900.00	5	MUB7	1	KO9787	PAN CARIBBEAN BROADCASTING COR	00906		\$25.00	1	PMT
\$3,900.00	\$3,900.00	3	MUB7	1	WDD636	PAN CARIBBEAN BROADCASTING COR	00906		\$25.00	1	PMT
\$3,900.00	\$3,900.00	2	MGA7	1	WDOYFM	PAN CARIBBEAN BROADCASTING COR	00906		\$2,000.00	1	PMT
\$3,900.00	\$3,900.00	1	MGB7	1	WMDDAM	PAN CARIBBEAN BROADCASTING COR	00906		\$1,800.00	1	PMT
6								_	\$3,900.00	Г	

## FEDERAL COMMUNICATIONS COMMISSION Washington, D. C. 20554

August 5, 1998

RECEIVED

OFFICE OF MANAGING DIRECTOR

OCT - 8 1998

John T. Scott, III, Esquire Crowell & Moring LLP 1001 Pennsylvania Ave., N.W. Washington, D.C. 20004-2595 FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Request for Reduction of Regulatory Fee

Television Station KAQY

Fee Control # 9709238835207005

Fee Paid: \$4,800

Dear Mr. Scott:

This is in response to the Petition, filed on behalf of Pears Broadcasting, Inc. (Pears) requesting a reduction in the Mass Media regulatory fees assessed for the Television Station Construction Permit for KAQY(TV), Columbia, Louisiana.

Pears was granted a construction permit for KAQY on May 19, 1996. A third party filed a Petition for Reconsideration. KAQY argues that it would be a severe hardship to construct the station when there was a possibility its permit would be rescinded. Pears argues that under these circumstances it would be inequitable to require it to pay a regulatory fee. In the alternative Pears argues that the Commission should reduce the \$4,800 fee, because the permit is for a station in a remaining market where operating stations are paying a fee of only \$2,725, and it is inequitable to require a permittee to pay a higher fee than an operating station in the same market.

Your request for a waiver will be denied. The construction permit authorizes Pears to construct its station, and its failure to construct was based on its own economic determination. We agree, however, that no permittee should be required to pay a larger fee than an operating station of the same class in the same market. Thus, we will reduce the fee assessed Pears to \$2,725, the regulatory fee for a remaining market VHF Television Station.

Pears Broadcasting, Inc. paid \$4,800 FY 1997 regulatory fee for the construction permit for Television Station KAQY. Thus, it is entitled to a refund of \$2,075. A check, made payable to the maker of the original check and drawn in the amount \$2,075, will be sent to you at the earliest practicable time. If you have any questions concerning the refund, please call the Chief, Fee Section at (202) 418-1995.

Sincerely,

Mark Reger

Chief Financial Officer

4704238835207005

#### CROWELL & MORING LLP

IOOI PENNSYLVANIA AVENUE, N.W. WASHINGTON, D.C. 20004-2595 (202) 624-2500 FACSIMILE (202) 628-5116

JOHN T. SCOTT, III

September 17, 1997

SUITE 1200
2010 MAIN STREET
IRVINE, CALIFORNIA 92614
(714) 263-8400
FACSIMILE (714) 263-8414
180 FLEET STREET

180 FLEET STREET
LONDON EC4A 2HD
44-171-413-0011
FACSIMILE 44-171-413-0333

Federal Communications Commission Regulatory Fees P.O. Box 358835 Pittsburgh, PA 15251-5835

✓ Office of Managing Director Federal Communications Commission 1919 M Street, N.W., Room 852 Washington, D.C. 20554

> Re: Transmittal of FY 1997 Regulatory Fee; Petition for Waiver or Reduction of Fee

#### Dear Sir/Madam:

Pears Broadcasting, Inc. (Pears), through its counsel, hereby transmits its payment of regulatory fees for the 1997 Fiscal Year. The fee covers Pears's only authorization, a construction permit for Station KAQY(TV), an unbuilt television station at Columbia, Louisiana.

Pursuant to Section 1.1166 of the Commission's Rules, Pears also requests a waiver of the payment or, alternatively, a reduction from the \$4,800 fee enclosed herewith to \$2,725. Waiver or reduction would meet the good cause and public interest standards in Section 1.1166.

Pears was granted its construction permit for Station KAQY on May 19, 1996 (File No. BPCT-871109KF). However, the FCC's grant was challenged by a third party which requested that the permit be rescinded. See Petition for Reconsideration of Pollack/Belz Communication Co., Inc., filed June 17, 1996. This petition was still pending on October 1, 1996, the effective date for determining whether FY 1997 fees for broadcast authorizations were due. This challenge placed a severe hardship on Pears because it has been uneconomic for Pears to build KAQY when there is a possibility that its construction permit will be rescinded. (Just last week, on September 12, 1997, the Commission denied the petition for reconsideration, although that denial is not yet final.)

Given that the unresolved status of Pears's construction permit was due to no fault of Pears, but results solely from the challenge of a third party, it would be inequitable to apply the fees requirement to Pears based on its holding of a non-final construction permit on October 1, 1996.

Grant of a waiver here would also not conflict with the Commission's purpose in charging a regulatory fee for construction permits. In 1996, it considered eliminating the construction permit fee and increasing the operating station fees. However, the Commission rejected this idea because it "is inherently inequitable [to make] currently operating broadcast stations subsidize stations under construction, some of which would eventually provide direct competition to the existing stations." In the Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 1996, 11 FCC Rcd 16515 (1996). The longstanding challenge to Pears' construction permit has, however, effectively prevented Pears from going forward and constructing the station so that it may begin competing with other stations. There is thus no "subsidization" concern here.

Should the Commission determine not to waive the fee in its entirety, Pears requests a reduction in the fee. The FY97 fee required for Pears' construction permit is \$4,800. Licensed, operating stations in Pears' market (the sub-top 100 market of El Dorado, Arkansas), is only \$2,725. Pears must pay 75% more than operating stations in that market, even though, unlike those stations, it has no operating revenues which can be used to pay the fee. Far from the other stations subsidizing Pears, Pears (with no operations at all) is subsidizing operating stations.

This is clearly inequitable, as well as contrary to the public interest. A fundamental Commission policy is to encourage and promote new broadcast stations, such as KAQY, which can offer the public a greater diversity of voices and more vigorous market competition. A fee which forces an unbuilt station to pay nearly twice what operating stations in a sub-100 market pay conflicts with and undermines those goals. This is particularly true here, where the unbuilt station has been impeded by a third-party challenge which was pending at the Commission for more than a year, and where KAQY will be the first local television service in its community of license.

For these reasons, "good cause" exists for waiver or reduction of Pears' fee for KAQY, and such action would "promote the public interest." See Section 1.1166. Pears Broadcasting thus respectfully requests that its fee be refunded in full, or that it be adjusted downward to \$2,725, and the difference (\$2,075) be refunded.

Thank you for your consideration of this request.

Sincerely,

John T. Scott, E

John T. Scott, III

**Enclosures** 

## READ INSTRUCTIONS CAREFULLY BEFORE PROCEEDING

## FEDERAL COMMUNICATIONS COMMISSION

SPECIAL	USE			

3060-0589

APPROVED BY OMB

· .	REMIT	PTANCE ADVICE	
(1) LOCKBOX # 358835	PAG	GE NO 1 OF 1	FCC USE ONLY
	SECTION A	- PAYER INFORMATION	
(2) PAYER NAME(s paying by cross card, order name exactly as a appropriate Pears Broadcasting, Inc.	ppeers on your card)		(3) TOTAL AMOUNT PAID (college, and conts) 4,800.00
(4) STREET ADDRESS LINE NO. 1 2812 Chimney Hill		•	
(5) STREET ADDRESS LINE NO. 2			
waco		TX	(8) ZZP COOE 76708
(9) DAYTIME TELEPHONE MUNIBER (Include area code) (817) 741-5801		(18) COUNTRY CODE (If not in U.S.A.)	
IF PAYER NAME AT	ND THE APPLICANT, NONE APPLICANT,	T NAME ARE DIFFEREI USE CONTINUATION	NT, COMPLETE SECTION B SHEETS (FORM 159-C)
(11) APPLICANT NAME(if paying by credit card, amor name exactly a	SECTION B -	APPLICANT INFORMATION	
(12) STREET ADORESS LINE NO. 1			
(13) STREET ADDRESS LINE NO. 2			
(14) CITY		(1B) STATE	(16) ZP CODE
(17) DAYTIME TELEPHONE NUMBER (include area code)		(18) COUNTRY CODE (If not in U.S.A.)	
	SECTION C -	PAYMENT INFORMATION	SE CONTINUATION SHEETS (FORM 159-C)
KAQY M J		1 . 4,800.00	N BLOCK SEA  FCC USE ONLY  STATE OF THE STAT
28A) FCC CODE 1	<del></del>	(24A) FCC CODE 2	
Channel 11	Lacor into	Columbia,	
MB) FCC CALL SIGNOTHER ID (208) PAYMENT TYP	E CODE (PTC)	s) QUANTITY   (228) FEE DUE FOR (FTC):	N SLOCK 200
HAM) FCC CODE 1		(248) FCC COOE 2	
(NEC) FCC CALL SIGNIOTHER ID (20C) PAYMENT TYP	E CODE (PTC) (210	C) QUANTITY (22C) FEE DUE FOR (PTC) I	N BLOCK 20C FCC USE ONLY
ZEC) FCC CODE 1		(24C) FCC CODE 2	
(280) FCC CALL SIGNOTHER ID (280) PAYMENT TYP	E CODE (FTC) (210	D) QUANTITY (22D) FEE DUE FOR (PTC)	N BLOCK 29D FCC USE ONLY
220) FCC CODE 1		\$ (24D) FCC CODE 2	
SECTION	D - TAXPAYE	R INFORMATION	N (REQUIRED) YEAPPLICANT NAME IN B-11 IS DEFERENT FROM PAYER MANE IN A-2)
PAYER TIN 0 7 2 1	1 1 2 0 5 2	T ADDUCANT	
27) CERTIFICATION STATEMENT	SECTION	E - CERTIFICATION	
Thomas G. Pears (PRINT NAME)	, Certify u	nder penalty of perjury th	nat the foregoing and supporting information
are true and correct to the best of my		ion and belief. SIGNAT T CARD PAYMENT INFORM	
28) MASTERCARDVISA ACCOUNT N		- CAND FATMENT INFORM	EXPIRATION DATE:
MASTERCARD			MONTH YEAR
VISA I hereby authorize the FCC to charge my VISA o		ED SIGNATURE	DATE
for the service(s)/authorizations(s) herein desc	EE DUDI IC BURDEN ES	THATE ON DEVERSE	ECC FORM 460 HILLY 4007 (DEVISED)

#### FEDERAL COMMUNICATIONS COMMISSION

Washington, D. C. 20554 August 10, 1998

RECEIVED

OFFICE OF MANAGING DIRECTOR

OCT - 8 1998

GENERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. John W. Pike 910 Essex Road Oswego, NY 13827

Re: Request for Waiver of Regulatory Fee

Fee Control # 9709158835333008

Fee Paid: \$220

Dear Mr. Pike:

This is in response to your request for a waiver of the Fiscal Year 1997 regulatory fees for FM Translator Station W240AJ. You maintain that your translator, which relays signals from a non-commercial station, is operated as a voluntary effort with no financial support from advertising.

In implementing the regulatory fee program, the Commission indicated that it would waive the regulatory fees for any translator station that:

(1) is not licensed to, in whole or in part, and does not have common ownership with, the licensee of a commercial broadcast station; (2) does not derive income from advertising; and (3) is dependent on subscriptions or contributions from the members of the community served for support.

Implementation of Section 9 of the Communications Act, FCC 95257, ¶ 16 (June 15, 1995).

Based upon your representations, that the station relays signals from a noncommercial station, that you operate the translator station on a voluntary basis, and that you receive no financial support from advertising, we will waive the regulatory fee for Translator Station W240AJ. The waiver shall remain in effect until there is an assignment of your licenses or a substantial change in the financing of your translator service. You should retain this letter, and a copy should be included in any correspondence with the Commission concerning the regulatory fees for the translator station.

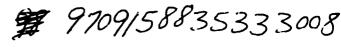
A check, made payable to the maker of the original check, and drawn in the amount of \$220, will be sent to you at the earliest

practicable time. If you have any questions concerning the refund, please call the Chief, Fee Section, at (202) 418-1995.

Sincerely,

Mark Reger Chief Financial Officer

## RECEIVED



Jekt"

APR 10 11 59 AH '98

FCC FEES SECTION

Federal Communications Commission Regulatory Fees P.O. Box 358835 Pittsburg, PA 15251-5835 910 Essex Road Owego, NY 13827 September 4, 1997

Ref: FM Translator W240AJ

FY 1997 Mass Media Regulatory Fees, August 1, 1997, section "Who Must Pay", bottom of page 8.

Subject: Request for waiver of Regulatory Fee.

Dear Sirs / Madams;

Please consider my request for waiver of the Regulatory Fee for my FM translator station W240AJ for the following reasons:

- 1. My translator relays noncommercial listener supported FM station WMHR in Syracuse, New York.
- 2. This is a voluntary effort from which I receive no financial support from advertising.
- 3. I was licensed prior to October 1, 1996.

Please find the enclosed FCC form 159 and check for \$220 to cover the Regulatory Fee, pending your decision.

Thank you in advance for your consideration.

Sincerely yours,

John W. Pike, Licensee

John or Fine.

## RECEIVED

APR 10 11 59 AM '98

FCC FEES SECTION

Federal Communications Commission Regulatory Fees P.O. Box 358835 Pittsburg, PA 15251-5835 910 Essex Road Owego, NY 13827 March 16, 1998

Ref: FM Translator W240AJ

Subject: Request for waiver of Regulatory Fee.

Dear Sirs / Madams;

Please see the attached computer copy of a letter I sent you in September 1997 requesting consideration for waiver of Regulatory Fees for my FM translator. I have not yet received any response on this matter. I would appreciate hearing from you with your decision.

Thank you in advance.

Sincerely yours,

John W. Pike, Licensee

John W Fife

BY: FEE CONTROL NUMBER

Fee Control Number	Payor Name	Account Number	Received Date	
9709158835333008	PIKE, JOHN W	FCC2029490	09/14/97	
	040 F00EV DOAD			

910 ESSEX ROAD

**OWEGO** 

NY 13827

Payment Amount	Current Balance	Seq Num	Payment Type Code	Quantity	Callsign Other Id		Applicant Name	Applicant Zip	Bad Check		rans (	Payment Type	
\$220.00	\$220.00	1	MSF7	1	W240AJ	PIKE, JOHN W		13827		\$220.00	1	PMT	
Total 1										\$220.00			

# FEDERAL COMMUNICATIONS COMMISSION Washington, D. C. 20554

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RECEIVED

OFFICE OF MANAGING DIRECTOR

OCT - 8 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. Hal S. Widsten General Manager Radio Station KWED 609 E. Court Street Sequin, TX 78155

Re: Request for Reduction of Regulatory Fee

Fee Control # 9712308835101003

Fee Paid: \$1,675

Dear Mr. Widsten:

This is in response to your request for a waiver of the Fiscal Year (FY) 1997 regulatory fee, filed on behalf of Pinwheel, Inc., licensee of AM Radio Station KWED, Seguin, Texas. You argue that the fee schedule discriminates against stations located in metropolitan areas, whose signals do not serve the major population centers in those areas. You assert that the fee for KWED is only \$400 less than then the fees paid by stations serving the entire metropolitan area. You argue that KWED's regulatory fee should be based on Seguin's population of 21,373 people.

Congress established the total amount of fees that we are to collect for all services for FY 1997 and our fee schedule is formulated to spread the burden of the total fee requirement equitably among the various categories of fee payers, including broadcast licensees. The FY 1997 regulatory fees for all AM stations were derived by calculating the populations within the 0.5 mV/m contour of each individual station, which is their daytime protected service contour. The 0.5 mV/m contour extends beyond and includes populations not within a licensee's primary service area. However, as a matter of equity, recalculating a station's service area using a different contour for measuring population would require recalculating the service areas, populations, and fees, at a minimum, for all radio broadcast stations, in order to insure the Commission's ability to collect the required amount in fees and that licensees are treated equally.

We recognize that some broadcasters believe that the city grade contour which each licensee is required to place over its community of license may be a better reflection of the "core" population served by that station, and we have decided to use the city grade contour to calculate FY 1998 radio regulatory fees. However, the 0.5 mV/m contour is appropriate for calculating the FY 1997 regulatory fees because that contour represents the area in which listeners receive the station's protected signal. Thus,

the Commission will not reduce, on an ad hoc basis, an individual station's regulatory fee solely because its population served would be lower had we relied on a different service contour.

Thus, your request for reduction of the FY 1997 regulatory fee is denied. If you have any questions concerning the regulatory fees, please call the Chief, Fee Section at (202) 418-1995.

Sincerely,

Thomas M. Holleran

Acting Associate Managing

Director - Financial Operations



December 29, 1997

Executive Director Federal Communications Commission 1919 M Street Washington, D.C. 20054

Dear Sir:

I am writing this letter on behalf of Pinwheel, Inc., the licensee of KWED-AM, Seguin, Texas to request a reduction of the Mass Media Regulatory Fee for this station.

We are requesting this reduction because we believe the current method of fee determination discriminates against stations that are located within Metro areas, but whose signals do not adequately cover those areas to allow them to compete for listeners and the available radio advertising dollars.

KWED is licensed for 1Kw at 1580 Khz. daytime and 253 watts nighttime. Although our city of license is located in Guadalupe County, which is part of the San Antonio Metro, our primary coverage area, which is on file with the Commission, does not effectively reach San Antonio, in which most of the Metro area's population and businesses are located. We realize no income from businesses located in San Antonio.

KWED is being assessed a fee of \$1,600, which is only \$400 less than WOAI-AM, which is a 50KW station, KKYX-AM a 50KW station, KTSA-AM, a 5KW station, and other San Antonio stations whose signals cover the entire metro area. Our fee is only \$400 less than all the 100KW FM stations licensed to the San Antonio area whose coverages greatly exceed that of KWED.

We believe we should be assessed a fee based on the population of our city of license, from which we realize 97% of our revenue. The population of Seguin, Texas is 21,373.

We formally request a refund of a portion of our 1997 fees, which have been paid, and a reduction in future fees for this station.

Sincerely,

Hal S. Widsten General Manager BY: FEE CONTROL NUMBER

Fee Control Number Payor Name Account Number Received Date

9712308835101003

PINWHEEL, INC

FCC2050602

12/29/97

**609 EAST COURT STREET** 

SEGUIN

TX

78155

Payment Amount	Current Balance	Seq Num	Payment Type Code	Quantity	Callsign Other Id	Applicant Name	Applicant Bad Zip Check	Detail Amount	Trans Code	Payment Type
\$1,675.00	\$1,675.00	4	MUB7	1	KN8020	PINWHEEL, INC	78155	\$25.0	0 1	PMT
\$1,675.00	\$1,675.00	3	MUB7	1	KPJ902	PINWHEEL, INC	78155	\$25.0	0 1	PMT
\$1,675.00	\$1,675.00	1	MGC7	1	KWEDAM	PINWHEEL, INC	78155	\$1,600.0	0 1	PMT
\$1,675.00	\$1,675.00	2	MUB7	1	WLG305	PINWHEEL, INC	78155	\$25.0	0 1	PMT
ai 4								\$1,675.0	Ю	

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